

U.S. DEPARTMENT OF LABOR Employment and Training Administration Washington, D.C. 20213	CLASSIFICATION
	III
	CORRESPONDENCE SYMBOL
	DATE
	June 12, 1986

DIRECTIVE : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 38-86

TO : ALL STATE EMPLOYMENT SECURITY AGENCIES

FROM : *Barbara Ann Farmer*  
 BARBARA ANN FARMER  
 Acting Administrator  
 for Regional Management

SUBJECT : Military Reenlistment Bonuses are Not  
 Considered Federal Military Wages for UCX  
 Purposes

1. Purpose. To provide guidance pertaining to military reenlistment bonuses for UCX purposes.
2. Background. Recently, a SESA raised a question regarding whether or not military reenlistment bonuses are considered wages for UCX purposes.
3. Information. Section 8521(a)(2) of 5 U.S.C. defines "Federal [military] wages" as "all pay and allowances, in cash and in kind, for Federal service, computed on the basis of the pay and allowances for the pay grade of the individual at the time of his latest discharge or release from Federal service..." as determined pursuant to the applicable Schedule of Remuneration issued by the Secretary of Labor (20 C.F.R. 614.12). The Schedule of Remuneration specifies the pay and allowances for each pay grade and "reflect[s] representative amounts for appropriate elements of the pay and allowances whether in cash or in kind." *Id.* The most recent Schedule of Remuneration was issued on December 31, 1985, in UIPL No. 7-86, and was effective with respect to UCX first claims filed on or after January 5, 1986 (51 FR 3276).

REVISIONS	EXPIRATION DATE
	May 31, 1987

DISTRIBUTION

Reenlistment bonuses are not part of a service member's "pay and allowances" and therefore are not Federal military wages as defined in Section 8521(a)(2). Schedules of Remuneration that have been issued accordingly do not reflect the inclusion of reenlistment bonuses. In any event, in determining the "Federal wages" of an ex-servicemember for purposes of the UCX Program, States are required to compute such wages solely in accordance with the applicable Schedule of Remuneration, which is final and conclusive on the States for all purposes of the UCX Program (20 C.F.R. 614.25)

4. Action Required. SESAs are requested to provide the above information to appropriate staff members.

5. Inquiries. Direct inquiries to the appropriate regional office.